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DEED OF TRUST, SECURITY AGREEMENT  
AND ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

510-55-2554

THE STATE OF TEXAS §  
 COUNTY OF HARRIS § KNOW ALL MEN BY THESE PRESENTS:

THAT THE UNDERSIGNED, ALUMINUM CHEMICALS, INC. (hereinafter called "Grantors," whether one or more), whose mailing address is 1100 Louisiana, Suite 3160, Houston, Texas 77002, for and in consideration of the debt hereinafter described, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey, in trust, unto Ben H. Riggs of Harris County, Texas, as Trustee, and unto his substitutes or successors (all of whom are hereinafter called "Trustee"), forever, all the property described in Exhibit "A" attached hereto and made a part hereof for all purposes.

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 To have and to hold the property described in Exhibit "A", together with any and all personal property now or hereafter located thereon and any and all buildings and improvements of every kind and character now or hereafter situated or placed thereon (including, but not limited to, any and all plumbing, electrical, heating, cooling, and other fixtures, equipment and appliances), and all replacements of and additions thereto, and all and singular the rights, privileges, hereditaments, appurtenances, rents, revenues, profits, and income thereunto now or hereafter incident or belonging thereto, and all easements and rights-of-way used in connection with any of the foregoing property or as a means of ingress to or egress from said property, and any and all rights of Grantors to utility availability (including water, sanitary sewer and drainage) applicable to said property and all improvements of said property granted or to be granted by any city, municipal utility district or any other governmental authority (collectively referred to herein as the "Mortgaged Property"), forever, and Grantors do hereby bind themselves, their heirs, successors, assigns, and legal representatives to warrant and forever defend, all and singular the Mortgaged Property unto the Trustee, his substitutes or successors forever, against the claims of all persons to claim the same or any part thereof.

This conveyance is made in trust to secure and enforce the payment of a promissory note (hereinafter referred to as "Note," whether one or more), of even date herewith, executed by Grantors, payable to the order of COMPASS BANK - HOUSTON (hereinafter called "Beneficiary"), P. O. Box 4444, Houston, Texas 77210-4444, in the principal amount of \$1,000,000.00, bearing interest and being payable as provided therein. This Deed of Trust shall secure, in addition to the Note, reimbursement obligations of Grantors to Beneficiary in connection with (i) that certain letter of credit in the amount of \$347,149.00 issued by Beneficiary for the account of Grantors in favor of the City of Houston and (ii) that certain letter of credit in the amount of \$435,225.00 issued by Beneficiary for the account of Grantors in favor of the City of Houston, all funds hereafter advanced by Beneficiary to or for the benefit of Grantors, as contemplated by any covenant or provision herein contained or for any other purpose, and all other indebtedness including amounts owing pursuant to the Loan Agreement as hereinafter defined, of whatever kind or character, owing or which may hereafter become owing by Grantors to Beneficiary, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty, or otherwise, it being contemplated that Grantors may be or become indebted to Beneficiary for other indebtedness (the "Note" and all indebtedness secured by this Deed of Trust collectively called herein the "Indebtedness"). All Indebtedness secured hereby shall be payable in Harris County, Texas, until Beneficiary gives written notice to Grantors designating another place of payment; and unless otherwise provided in the

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instrument evidencing said Indebtedness, shall bear interest at the maximum non-usurious rate allowed by applicable law. If the Note or any other Indebtedness secured hereby shall be collected by legal proceedings or through a probate or bankruptcy court, or shall be placed in the hands of an attorney for collection, Grantors agree that all attorney's or collection fees as provided for in the Note shall be paid by Grantors, and shall be a part of the Indebtedness secured hereby. This Deed of Trust shall also secure all renewals, rearrangements and extensions of any of the Indebtedness secured hereby.

Grantors covenant and agree with the Beneficiary and with the Trustee as follows:

1. Payment of Indebtedness. Grantors will pay all of the Indebtedness secured hereby when the same shall become due, in accordance with the terms of the Note or other instruments evidencing any Indebtedness secured hereby or evidencing any renewal or extension of any Indebtedness.

2. Warranty of Title. Grantors have in their own right, and shall maintain, its right, title and interest in the Mortgaged Property free from any other encumbrance, and have full right and authority to make this conveyance. In the event the legal title of any of the Mortgaged Property is challenged, by legal proceedings or otherwise, Grantors authorize Beneficiary, at Beneficiary's option and at Grantors' expense, to take all necessary steps for the defense of such title, including the filing of suit to remove any cloud on the title.

3. Taxes and Compliance with Laws. Grantors will pay all taxes and assessments now existing or hereafter levied or assessed against the Mortgaged Property, as the same become due and payable. If Grantors fail to pay any such taxes and assessments, Beneficiary may, at its option, pay the same, together with all costs and penalties thereon, at Grantors' expense and any amounts so paid by Beneficiary will be added to the Indebtedness secured hereby. Grantors shall at all times comply with and perform all obligations under any applicable laws, statutes, regulations, covenants, restrictions, or ordinances relating to the Mortgaged Property.

4. Suits Affecting Mortgaged Property. All judgments, decrees, awards, or payments for injury or damage to any part of the Mortgaged Property, and all awards pursuant to proceeding for condemnation thereof, including interest thereon, are hereby assigned in their entirety to Beneficiary, and Beneficiary is hereby authorized, in the name of Grantors, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Grantors shall promptly notify Beneficiary of the institution or threatened institution of any proceeding for the condemnation of any of the Mortgaged Property or any other suits affecting the title, possession or value of the Mortgaged Property. Beneficiary shall have the right to participate in any such condemnation proceeding.

5. Condition of Property. Grantors will keep every part of the Mortgaged Property in reasonable repair, making promptly all repairs, renewals and replacements necessary to such end. Grantors will discharge all claims for labor performed and material furnished and will not permit any lien of mechanics or materialmen therefor to attach to any part of the Mortgaged Property. Grantors will guard every part of the Mortgaged Property from removal, destruction and damage, and will not do or permit to be done any act whereby the value of any part of the Mortgaged Property may be materially lessened. No building or other property now or hereafter covered by the lien of this Deed of Trust shall be removed, demolished or materially altered or diminished if such removal or demolition would materially reduce the value of the remaining Mortgaged Property without the prior written consent of

Beneficiary, which consent will not be unreasonably withheld. Without the prior written consent or joinder of Beneficiary, Grantors shall not initiate, join in, or consent to any change in any private restrictive covenants, zoning ordinances or other public or private restrictions limiting or defining the uses that may be made of the Mortgaged Property or any part thereof. Beneficiary and its agents or representatives shall have access to the Mortgaged Property at all reasonable times in order to inspect same and verify Grantors' compliance with their duties and obligations under this Deed of Trust. Without the prior written consent or joinder of Beneficiary, Grantors shall not grant, convey or otherwise create or permit to be created or incurred, any type mortgage, lien, security interest, notice of lis pendens, easement, right-of-way, or other encumbrance on any of the Mortgaged Property, regardless of whether it is inferior to the liens of Beneficiary.

6. Transfers of Mortgaged Property. Beneficiary, at Beneficiary's option, may declare due and payable all sums secured by this Deed of Trust if all or part of the legal or equitable title or any equivalent contractual interest in the Mortgaged Property is transferred without Beneficiary's prior written consent. A "transfer" shall be defined herein as the conveyance of any right, title or interest in the Mortgaged Property, whether voluntary or involuntary, by outright sale, deed, installment sale contract, land contract, contract for deed, sub-leasehold interest with a term greater than three years, lease-option contract, termination of Grantors leasehold interest, or any other method of conveyance of real property interests. It is expressly agreed that in connection with determining whether to grant or withhold such consent, Beneficiary may, inter alia, (i) consider the proposed transferee's credit worthiness and its management ability in respect of the Mortgaged Property, (ii) consider whether or not its security for repayment of the Indebtedness secured hereby, or its ability to rely upon such security, will be impaired in any way by the proposed transfer, (iii) require, as a condition to granting such consent, an increase in the rate of interest payable under the Note, (iv) require that Beneficiary be reimbursed for all costs and expenses reasonably incurred by Beneficiary to investigate credit worthiness and management ability of the proposed transferee and to determine whether its security will be impaired by the proposed transfer, (v) require the payment to it of a transfer fee to cover the cost of documenting the transaction on its books, (vi) require the payment of all of its attorneys' fees incurred in connection with such transfer, (vii) require the express assumption of payment of the Indebtedness secured hereby and of performance by the transferee of the obligations related to such Indebtedness, (viii) require the execution of assumption agreements, modification agreements, supplemental security documents, financing statements, satisfactory in form and substance to Beneficiary, (ix) require endorsements to any existing mortgagee's title insurance policies issued in respect to the Mortgaged Property, and (x) require additional security for payment of the Indebtedness secured hereby and performance of obligations related thereto.

7. Events of Default; Remedies. All of the following shall constitute an event of default ("Event of Default") by Grantors after the expiration of any applicable notice and cure periods as set forth in the Note: (a) default in the prompt payment, when due, of the Note or any other Indebtedness secured hereby including without limitation, failure to reimburse Beneficiary for any payment made under a letter of credit secured hereby, or any part thereof; (b) failure to keep and perform any of the covenants or agreements herein contained or in any other loan document or security instrument affecting the Indebtedness secured hereby; (c) any of the representations or warranties made to Beneficiary by or for the benefit of Grantors prove to be false; (d) the filing of a petition in bankruptcy, or the granting of an order for relief under the bankruptcy laws, by or with respect to Grantors or anyone obligated to repay the Note; (e) the placing of

the Mortgaged Property under control or in the custody of any court; or (f) the abandonment of any of the Mortgaged Property. Upon the occurrence of an Event of Default and at any time thereafter, the Beneficiary, at its option, may accelerate the maturity of the Note and all other Indebtedness secured hereby and declare the same immediately due and payable and may foreclose its liens on the Mortgaged Property. In addition, upon the occurrence of an Event of Default and at any time thereafter, Beneficiary may demand and receive, in Grantors' right, all sums that may become due under any oil, gas, mineral or other lease, rental contract and easement contract pertaining to any portion of the Mortgaged Property, and when received to apply the same on the Indebtedness secured hereby. No demand for nor receipt of any lease payments shall be deemed to subordinate or affect in any way the liens and rights hereunder of the Beneficiary, or any rights of a purchaser of the Mortgaged Property at trustee's or foreclosure sale hereunder, as against the person from whom such sum was demanded or received, or his executors, administrators or assigns, or anyone claiming under such lease, rental or easement contract.

8. Survival of Agreements. All of the covenants and agreements of Grantors set forth herein shall survive the execution and delivery of this Deed of Trust and shall continue in force until the Indebtedness secured hereby is paid in full. Accordingly, if Grantors shall perform faithfully each and all of the covenants and agreements herein contained, this conveyance shall become null and void and shall be released in due form, at Grantors' expense; otherwise it shall remain in full force and effect. No release of this conveyance or the lien thereof shall be valid unless executed by the Beneficiary.

9. Foreclosure Procedure. In the Event of Default hereunder, Grantors hereby authorize and empower the Trustee, and each of his substitutes or successors, at the request of the Beneficiary, to sell the Mortgaged Property at public auction to the highest bidder, for cash, as provided in the Texas Property Code as then amended, after posting and filing notice of the time, place and terms of sale in accordance with the provisions of the Texas Property Code as then amended; in addition to such posting and filing, the holder of the Indebtedness hereby secured either personally or by agent shall give notice of the foreclosure sale in the manner and as required by the Texas Property Code as then amended. Grantors agree that no other notice need be given by Trustee, Beneficiary or any other person. Grantors hereby designate the address set out in the first paragraph hereof as their address for the purposes of such notice, and agree that such address shall be changed only by mailing written notice of such change by certified mail to Beneficiary to the address listed above (or to such other address as Beneficiary may have designated by notice given as above provided to Grantors and such other debtors). Grantors do hereby authorize and empower Trustee to sell the Mortgaged Property or any interest or estate in the Mortgaged Property together or in lots or parcels, as such Trustee shall deem expedient, and to execute and deliver to the purchaser of the Mortgaged Property good and sufficient deed of conveyance thereof and bill of sale with covenants of general warranty binding on Grantors and Grantors' respective heirs, legal representatives, successors and assigns. The Trustee making such sale shall apply the proceeds thereof in the following order of priorities: (a) first, to the reasonable expenses of executing this trust, including a commission to himself of five percent (5%) of the gross proceeds of the sale; (b) second, to the unpaid balance of the Note and any other Indebtedness hereby secured; (c) third, to the unpaid balance of the Indebtedness secured by any liens superior to the lien created hereby; (d) fourth, to the unpaid balance of the Indebtedness secured by any liens equal or inferior to the lien created hereby; and (e) fifth, the residue, if any, to Grantors, their heirs, legal representatives, successors or assigns.

If there is a default in the payment of any installment of the Note, the holder of the Indebtedness or any part thereof on which the payment is delinquent shall have the option to proceed with foreclosure either through the courts or by directing the Trustee or his successors to proceed as if under a full foreclosure, conducting the sale as herein provided, and without declaring the whole debt due, and provided that if sale is made because of default of an installment, or a part of an installment, such sale may be made subject to the unmatured part of the Note and debt secured by this Deed of Trust; and it is agreed that such sale, if so made, shall not in any manner affect the unmatured part of the debt secured by this Deed of Trust, but as to such unmatured part of this Deed of Trust shall remain in full force and effect just as though no sale had been made under the provisions of this paragraph. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the debt secured hereby, it being the purpose to provide for a foreclosure and sale of the security for any matured portion of the debt secured hereby without exhausting the power to foreclose and to sell the security for any other part of the debt secured hereby, whether matured at the time or subsequently maturing.

If at the time of sale, Grantors, their heirs, executors, administrators or assigns, are occupying the Mortgaged Property, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be terminable at will, at a reasonable rental per day based upon the value of the Mortgaged Property, such rental to be due daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of the Mortgaged Property.

The Beneficiary may bid and become the purchaser of the Mortgaged Property at any foreclosure sale hereunder.

10. Substitution of Trustee. If the herein-named Trustee shall die or become disqualified from acting in the execution of this trust, or shall fail or refuse to execute the same when requested by Beneficiary so to do, or, if, for any reason, Beneficiary shall prefer to appoint a substitute trustee to act instead of the herein-named Trustee, Beneficiary shall have full power to appoint, by written instrument, a substitute trustee, and, if necessary, several substitute trustees in succession, who shall succeed to all the estate, rights, powers and duties of Trustee named herein, and no notice of such appointment need be given to Grantors or to any other person or filed for record in any public office. Grantors hereby ratify and confirm all acts that Trustee, or his successor or successors in this trust, shall do lawfully by virtue hereof. Grantors hereby agree, on behalf of Grantors and of Grantors' heirs, legal representatives, successors and assigns, that the recitals contained in any deed or other instrument executed in due form by any Trustee or substitute trustee, acting under the provisions of this Deed of Trust, shall be prima facie evidence of the facts recited, and that it shall not be necessary to prove in any court, otherwise than by such recitals, the existence of the facts essential to authorize the execution and delivery of that deed or other instrument and the passing of title thereby, and all prerequisites and requirements of any sale shall be conclusively presumed to have been performed, and all persons subsequently dealing with the Mortgaged Property purported to be conveyed by such deed or other instrument, including without limitation the purchaser thereof, shall be fully protected in relying upon the truthfulness of such recitals.

11. Other Collateral; Renewals. Any part of the Mortgaged Property may be released by the Beneficiary without affecting the liens on the remainder. The liens and rights hereby granted shall not affect or be affected by any other security taken for the same Indebtedness or any part thereof. The taking of additional security, or the extension, renewal or rearrangement of the same Indebtedness or any part thereof, shall at no time release



or impair the lien and rights granted hereby, or affect the liability of any endorser or surety, or improve the right of any junior lienholder.

12. Effect of Deed of Trust. The invalidity, or unenforceability in particular circumstances, of any provision of this Deed of Trust shall not extend beyond such provision or such circumstances and no other provision of this Deed of Trust shall be affected thereby. It is the intention of the parties hereto to comply with applicable usury laws; accordingly, it is agreed that notwithstanding any provisions to the contrary in the Note or any instrument evidencing any Indebtedness secured hereby, in this Deed of Trust or in any of the documents or instruments securing payment of said Indebtedness or otherwise relating thereto, in no event shall the Note or such documents require the payment or permit the collection of interest in excess of the maximum non-usurious amount permitted by such laws. If any such excess of interest is contracted for, charged or received, under the Note or any instrument evidencing any Indebtedness, under this Deed of Trust or under the terms of any of the other documents securing payment of said Indebtedness or otherwise relating thereto, or in the event the maturity of any of said Indebtedness is accelerated in whole or in part, or in the event that all or part of the principal or interest of said Indebtedness shall be prepaid, so that under any of such circumstances, the amount of interest contracted for, charged or received, under the Note or any instruments evidencing any Indebtedness, under this Deed of Trust or under any of the instruments securing payment of said Indebtedness or otherwise relating thereto, on the amount of principal actually outstanding from time to time under the Note and other instruments evidencing any Indebtedness shall exceed the maximum non-usurious amount of interest permitted by applicable usury laws, then in any such event (a) the provisions of this paragraph shall govern and control, (b) neither Grantors nor any other person or entity now or hereafter liable for the payment of the Note or any instrument evidencing any Indebtedness shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum non-usurious amount of interest permitted by applicable usury laws, (c) any such excess that may have been collected shall be either applied as a credit against the then unpaid principal amount of the Note or refunded to Grantors, and (d) the effective rate of interest shall be automatically reduced to the maximum non-usurious rate allowed under applicable usury laws as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under the Note, or any instrument evidencing Indebtedness, that are made for the purpose of determining whether such rate exceeds the maximum non-usurious applicable rate shall be made, to the extent permitted, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loans evidenced by the Note or the instruments evidencing any Indebtedness, all interest at any time contracted for, charged or received in connection with such loans.

13. Waiver. Grantors expressly waive and renounce the benefit of all present and future laws providing for any appraisal before sale of any of the property covered by this Deed of Trust, and all present and future laws extending in any manner the time for enforcement of collection of the Indebtedness secured hereby. In addition, to the extent permitted by law, Grantors expressly waive and renounce the benefits of Sections 51.003, 51.004 and 51.005 of the Texas Property Code relating to deficiency judgments after judicial and non-judicial foreclosures. The liens created by this Deed of Trust are in no way impaired or prohibited by the provisions of any homestead or personal property exemption statutes, and to the extent permitted by law, Grantors hereby disclaim and waive any rights arising under such statutes.

14. Rights of Beneficiary. It is expressly agreed that no waiver of any default on the part of Grantors or breach of any of the provisions of this Deed of Trust shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and no exercise or enforcement of any right or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. Any failure by Beneficiary to insist upon the strict performance by Grantors of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Grantors of any and all of the terms and provisions of this Deed of Trust. Neither Grantors nor any other person now or hereafter obligated for the payment of the Indebtedness secured hereby shall be relieved of such obligation by reason of any failure of Beneficiary or Trustee to comply with any request of Grantors, or of any other person so obligated, to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust or of any obligations secured by this Deed of Trust, or by reason of the release, regardless of consideration, of the whole or any part of the security held for any Indebtedness, or by reason of the subordination in whole or in part by Beneficiary of the liens, security interests or rights evidenced hereby. Beneficiary may release from liability any parties obligated for any Indebtedness secured hereby or may release any part of the security held for any Indebtedness and may extend the time of payment or otherwise modify the terms of any Indebtedness and/or this Deed of Trust without, as to the security or the remainder thereof, in any way impairing or affecting the liens and security interest of this Deed of Trust or the priority of such lien or security interest, as security for the payment of any Indebtedness as it may be so extended or modified. In order to satisfy any Indebtedness secured hereby, Beneficiary may apply the proceeds of any collateral held as security therefor in such order and manner as Beneficiary may elect.

15. Priority of Lien. The lien hereby created shall take precedence over and be a prior lien to any other lien of any character whether vendor's, materialmen's or mechanic's lien hereafter created on the Mortgaged Property, and in the event the proceeds of the Note are used to pay off and satisfy any liens heretofore existing on the Mortgaged Property, then Beneficiary is, and shall be, subrogated to all of the rights, liens and remedies of the holders of the Indebtedness so paid.

16. Miscellaneous. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto and to any substitute trustee. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. If more than one person, corporation, or other entity executes this Deed of Trust, the obligations of each such party shall be joint and several. The term "Beneficiary" shall also include any lawful owner, holder or pledgee of any Indebtedness secured hereby.

17. Security Interest. To further secure any Indebtedness, Grantors hereby grant to Beneficiary a security interest in the Mortgaged Property insofar as it consists of (a) equipment, inventory, fixtures, or other tangible personal property attached to or located on the Mortgaged Property, (b) any leases, contract rights or other general intangibles created on account of the Mortgaged Property including without limitation utility availability rights (including water, sanitary sewer and drainage) granted by any city, municipal utility district or other governmental authority; and (c) all proceeds and products of any of the foregoing. Upon the occurrence of an Event of Default hereunder,

Beneficiary is entitled to all of the rights, powers and remedies afforded a Secured Party by the Texas Uniform Commercial Code with reference to the personal property and fixtures in which Beneficiary has been granted a security interest herein, or the Trustee or Beneficiary may proceed as to both the real and personal property covered hereby in accordance with the rights, powers and remedies granted under this instrument in respect of the real property covered hereby. To the extent that portions of the Mortgaged Property are goods which are or are to become fixtures relating to the property described in Exhibit "A", the filing of this Deed of Trust shall also operate as a financing statement filed as a fixture filing in accordance with Section 9.402(f) of the Texas Uniform Commercial Code.

18. Absolute Assignment of Leases and Rents. In addition to this Deed of Trust being construed as a Deed Trust on Real Property and a Security Agreement on personal property, this Deed of Trust shall also constitute an absolute assignment of all "Leases" and "Rents." The term "Leases" shall be defined herein as any and all leases, subleases, licenses, concessions or other agreements (written or verbal, now or hereafter in effect) which grant a possessory interest in and to, or the right to use, all or a portion of the Mortgaged Property, and all other agreements, such as utility contracts, maintenance agreements and service contracts, which in any way relate to the use, occupancy, operation, maintenance, enjoyment or ownership of the Mortgaged Property, save and except any and all leases, subleases or other agreements pursuant to which Grantors are granted a possessory interest in the real property comprising a part of the Mortgaged Property. The term "Rents" as used herein shall mean all of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases, other than Grantor's, for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property or any part thereof. Grantors hereby assign to Beneficiary all Leases and Rents, such assignment being upon the following terms:

a) Until receipt from Beneficiary of notice that an Event of Default then exists, each tenant ("Tenant") under the Leases may pay Rent directly to Grantors, but after the occurrence of an Event of Default, Grantors covenant to hold Rents so paid in trust for the use and benefit of Beneficiary;

b) Upon receipt from Beneficiary of a notice that an Event of Default exists, each Tenant is hereby authorized and directed to pay directly to Beneficiary all Rent thereafter accruing; and the receipt of Rent by Beneficiary shall be a release of such Tenant to the extent of all amounts so paid;

c) Rent so received by Beneficiary shall be applied by Beneficiary, first to the expenses, if any, of collection and then in accordance with Section 9 hereof;

d) Without impairing its rights hereunder, Beneficiary, may, at its option, at any time and from time to time, release to Grantors, Rent so received by Beneficiary, or any part thereof;

e) Beneficiary shall not be liable for its failure to collect, or its failure to exercise due diligence in the collection of Rent, but shall be accountable only for Rent that it shall actually receive; and

f) The assignment contained in this Section 18 shall terminate upon the release of this Deed of Trust, but no Tenant shall be bound by any such termination



until a copy of such release shall have been delivered to such Tenant.

As between Beneficiary and Grantors, any other person claiming through or under Grantors, other than any Tenant who has not received notice of an Event of Default pursuant to Section 18(b), the assignment contained in this Section 18 is intended to be absolute, unconditional and presently effective and the provisions of Sections 18(a) and 18(b) are intended solely for the benefit of Beneficiary and each Tenant and shall never inure to the benefit of Grantors or any person claiming through or under Grantors, other than a Tenant who has not received such notice. It shall never be necessary for Beneficiary to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section 18. Grantors, upon Beneficiary's request, shall execute, acknowledge and deliver and/or file such further instruments and do such further acts as may be reasonably necessary, desirable or proper to effectuate the intent and purposes of this Assignment. For example, if Beneficiary desires to have the Tenant under any particular Lease make payments under such Lease directly to Beneficiary, then, at Beneficiary's request, Grantors shall join with Beneficiary in the execution and delivery of a letter to such Tenant notifying such Tenant of Beneficiary's interest in such Lease and instructing such Tenant to make all future payments under such Lease directly to Beneficiary. Notwithstanding the foregoing, a demand on any Tenant by Beneficiary for the payment of Rent shall be sufficient to warrant such Tenant to make future payment of Rent directly to Beneficiary without the necessity of further consent by Grantors.

19. Insurance. Grantors will keep all buildings and other improvements on the Mortgaged Property insured against fire, lightning, tornado, hail, explosion, and against such other risks as Beneficiary may require, all in amounts approved by Beneficiary. If any part of the improvements constituting a part of the Mortgaged Property is within an area designated as having special flood hazards in accordance with the National Flood Insurance Act of 1968, Grantors will insure all buildings and other improvements on the Mortgaged Property against flooding in an amount at least equal to the insurable value of such improvements. All insurance policies shall be written in form and with companies acceptable to the Beneficiary, with standard loss payable endorsements in favor of Beneficiary, and will deliver all insurance policies to the Beneficiary promptly as issued; and in the event the Grantors fail so to do, Beneficiary, at its option, may procure such insurance at Grantors' expense. All renewal and substitute policies of insurance shall be delivered to Beneficiary, premiums paid, at least ten (10) days before termination of policies theretofore delivered to Beneficiary. All policies shall provide, by way of riders, endorsements or otherwise, that the insurance provided thereby shall not be terminated, reduced or otherwise limited regardless of any breach of the representations and agreements set forth therein and that no policy shall be cancelled, endorsed or amended to any extent unless the issuer thereof shall have first given Beneficiary at least 30 days' prior written notice. In case Grantors fail to furnish such policies, Beneficiary, at its option, may procure such insurance at Grantors' expense. In case of loss, Beneficiary, at its option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same toward payment of the Indebtedness secured hereby, or may permit all or a part of those proceeds to be used by Grantors for the repair or replacement of the damaged improvements. If Beneficiary elects to allow payment of all or part of such proceeds to Grantors, such payments shall be disbursed on such terms and subject to such conditions as Beneficiary may specify. Grantors agree that regardless of whether any insurance proceeds payable to them are sufficient to pay the costs of repair and restoration of the Mortgaged Property, Grantors shall promptly commence and carry out the repair, replacement, restoration, and rebuilding of any of the Mortgaged Property damaged or destroyed by fire or other casualty

so as to return same, to the extent practicable, to its condition immediately prior to such damage thereto or destruction thereof. Grantors shall not permit or carry on any activities within or relating to the Mortgaged Property that is prohibited by the terms of any insurance policy covering any part of the Mortgaged Property or which permits cancellation of or increase in the premium payable for any insurance policy covering any part of the Mortgaged Property. In the event of a foreclosure of this Deed of Trust, the purchaser of the Mortgaged Property shall succeed to all the rights of Grantors, including any right to unearned premiums, in and to all policies of insurance assigned and delivered to Beneficiary pursuant to the provisions of this Deed of Trust. Regardless of the types or amounts of insurance required and approved by Beneficiary, Grantors shall assign and deliver to Beneficiary all policies of insurance that insure against any loss or damage to the Mortgaged Property, as collateral and further security for the payment of any Indebtedness secured hereby.

20. Environmental Indemnity. To the full extent permitted by applicable law, Grantors and each guarantor of the Indebtedness secured hereby ("Guarantor," whether one or more) hereby agree to defend, indemnify and hold harmless Beneficiary and its directors, officers, employees, attorneys and agents ("Indemnified Parties") from and against any and all loss, cost, expense or liability (including attorneys' fees and court costs) incurred by any Indemnified Party in connection with or otherwise arising out of any and all claims or proceedings (whether brought by a private party, governmental agency or otherwise) for bodily injury, property damage, abatement, remediation, environmental damage or impairment or any other injury or damage resulting from or relating to any hazardous or toxic substance or contaminated material located upon, migrating into, from or through or otherwise relating to the Mortgaged Property (whether or not the release of such materials was caused by Grantors, a tenant or subtenant of Grantors, a prior owner, a tenant or subtenant of any prior owner or any other party and whether or not the alleged liability is attributable to the handling, storage, generation, transportation or disposal of such substance or the mere presence of the substance on the Mortgaged Property), which any Indemnified Party may incur due to the Indebtedness secured by this Deed of Trust including without limitation the making of the loan evidenced by the Note, the exercise of any of its rights under this Deed of Trust or any of the security documents executed in connection with the Indebtedness secured hereby ("Security Documents"), or otherwise. For the purpose of the indemnity contained in this Section, hazardous or toxic substances or contaminated material include but are not limited to asbestos, oil and petroleum products and those substances within the scope of all federal, state and local environmental laws and ordinances, including the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Superfund Amendment and Reauthorization Act of 1986. The provisions of this Section shall survive any exercise of the power of sale granted in this Deed of Trust, any foreclosure of the liens created by this Deed of Trust or conveyance in lieu of foreclosure and the repayment of the Indebtedness secured by this Deed of Trust and the discharge and release of this Deed of Trust and other Security Documents. The obligations and liability of Grantors and each Guarantor under this Section shall be joint and several. Each Guarantor, by executing and delivering the guaranty to which it is a party, agrees to be bound by the terms and provisions of this Section to the same extent and with the same effect as if such Guarantor had joined in the execution of this Deed of Trust.

21. Loan Agreement. This Deed of Trust is executed and delivered pursuant to, and is entitled to the benefits of, the Loan Agreement dated November 22, 1994 between Aluminum Chemicals, Inc. and Beneficiary. Any default under that Loan Agreement shall also constitute an Event of Default hereunder.

22. Severability. In the event any one or more of the provisions contained in this Deed of Trust, the Note or in any other instrument referred to herein or executed in connection with or as security for the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust, the Note, or any other instrument referred to herein or executed in connection with or as security for the Note. Furthermore, in lieu of such invalid, illegal or unenforceable provision, there shall automatically be added a provision as similar in terms to such invalid, illegal or unenforceable provision as may be possible and as may be valid, legal and enforceable.

23. Financial Statements. In the event the Loan Agreement is either terminated or no longer requires the delivery of financial information, on or before thirty (30) days after Grantors receive Beneficiary's written request for financial statements, Grantors shall deliver to Beneficiary a copy of Grantors' financial statements in form and substance satisfactory to Beneficiary.

24. Appraisals. Grantors, upon request of Beneficiary based upon either (i) a regulatory requirement to which Beneficiary is subject or (ii) reasonable concern that the market value of the Mortgaged Property has decreased by a material amount, shall provide Beneficiary with a current appraisal of the Mortgaged Property or a current update of a previous appraisal approved by Beneficiary of the Mortgaged Property, such appraisal or updates shall be performed by an appraiser (and shall be made within parameters) satisfactory in all respects to Beneficiary. Such request may only be made once during the term of the Note.

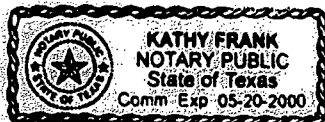
EXECUTED as of the 16<sup>th</sup> day of October, 1996.

ALUMINUM CHEMICALS, INC.

By: J. Michael Jusbasche  
J. Michael Jusbasche  
President

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me on October 16, 1996 by J. Michael Jusbasche, President of ALUMINUM CHEMICALS, INC., a Texas corporation, on behalf of said corporation.



Kathy Frank  
Notary Public in and for  
The State of Texas

Printed Name of Notary:

My Commission Expires: \_\_\_\_\_

## Exhibit "A"

All of Grantor's right, title and interest in that certain Leasehold Estate arising pursuant to that certain Ground Lease dated effective 13 February, 1995 between Grantors and Haden Road Corporation relating to the property described elsewhere in this Exhibit "A".

*Ret. Compass Bank  
P.O. Box 4444  
Houston, TX 77210*



EXHIBIT "A"

510-55-2566

DESCRIPTION  
109.8185 ACRE TRACT LOCATED IN  
RICHARD AND ROBERT VINCE SURVEY,  
ABSTRACT NO. 76, HARRIS COUNTY, TEXAS  
MAP NO. FCI 94252

All of that certain 109.8185 acre tract of land located in the Richard and Robert Vince Survey, Abstract No. 76, Harris County, Texas, being all of that tract of land conveyed by Stauffer Chemical Company to Atkemix Thirty-Seven Inc. per instrument dated November 16, 1987 and recorded in the Official Public Records of Real Property under Harris County Clerk's File No. L-434891 (Film Code No. 109-30-0606), said 109.8185 acres of land being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a 5/8 inch iron rod set in the southerly right-of-way line of Harris County Houston Ship Channel Navigation District Railroad (H.C.H.S.C.N.D.R.R.), based on a width of 100.00 feet, for the northwest corner of a 19.69103 acre tract conveyed by Stauffer Chemical Company to Merichem Company per instrument filed for record in the Official Public Records of Real Property under Clerk's File No. G-905318, and the northeast corner of the herein described tract of land from which a City of Houston Survey Monument No. 5858-0902 bears North 28 deg. 57 min. 35 sec. West 736.99 feet, a 5/8 inch iron rod found set in concrete bears South 21 deg. 53 min. 31 sec. East 0.95 feet, said 5/8 inch iron rod for corner is in a curve whose center is located South 28 deg. 55 min. 12.5 sec. West 1870.10 feet;

THENCE in a southerly direction along and with the westerly boundary line of the said Merichem Company 19.69103 acre tract and the Merichem Company 24.82496 acre tract of land filed for record in the Official Public Records of Real Property under Clerk's File No. H-505489, with the following meanders:

1. South 21 deg. 53 min. 32 sec. East 179.27 feet to a 1/2 inch iron rod found for an angle point;
2. South 00 deg. 48 min. 50 sec. West 177.44 feet to a 1/2 inch iron rod found set in concrete for an angle point;
3. South 82 deg. 01 min. 15 sec. East 25.61 feet to a 1/2 inch iron rod found set in concrete for an angle point;
4. South 21 deg. 04 min. 40 sec. West 202.72 feet to a 1/2 inch iron rod found set in concrete for an angle point;
5. South 30 deg. 04 min. 44 sec. West 107.72 feet to a 1/2 inch iron rod found set in concrete for an angle point;
6. South 43 deg. 29 min. 06 sec. West. at 25.27 feet pass a point for the common westerly corner of the said Merichem Company 19.69103 acre tract and 24.82496 acre tract, in all a total distance of 140.27 feet to a 1/2 inch iron rod found set in concrete for an angle point.
7. South 51 deg. 52 min. 24 sec. West 201.04 feet to a 1/2 inch iron rod found set in concrete for an angle point;
8. South 49 deg. 10 min. 03 sec. West 66.52 feet to a 1/2 inch iron rod found set in concrete for an angle point;

510-55-2567

9. South 22 deg. 45 min. 51 sec. West 68.83 feet to a 1/2 inch iron rod found set in concrete for an angle point;
10. South 10 deg. 23 min. 18 sec. West 220.87 feet to a 1/2 inch iron rod found set in concrete for an angle point;
11. THENCE South 09 deg. 28 min. 55 sec. West, at 544.50 feet pass a 1/2 inch iron rod found on line for reference, in all atotal distance of 555.18 feet to a point on the left high bank of Greens Bayou for the common south corner of the said Merichem Chemical 24.82496 acre tract and the herein described tract of land;

THENCE upstream with the meanders of the left bank of Greens Bayou as follows:

1. North 58 deg. 23 min. 10 sec. West 309.58 feet;
2. North 77 deg. 26 min. 14 sec. West 346.71 feet;
3. South 84 deg. 36 min. 16 sec. West 228.28 feet;
4. South 85 deg. 03 min. 42 sec. West 80.54 feet;
5. North 77 deg. 06 min. 24 sec. West 144.51 feet;
6. North 87 deg. 44 min. 20 sec. West 135.94 feet;
7. South 82 deg. 05 min. 03 sec. West 145.72 feet;
8. South 74 deg. 14 min. 00 sec. West 214.33 feet;
9. South 74 deg. 37 min. 24 sec. West 113.31 feet;
10. South 62 deg. 12 min. 00 sec. West 188.57 feet;
11. South 70 deg. 15 min. 06 sec. West 82.29 feet;
12. South 45 deg. 38 min. 30 sec. West 86.02 feet;
13. South 44 deg. 31 min. 02 sec. West 158.65 feet;
14. South 42 deg. 57 min. 16 sec. West 149.61 feet;
15. South 51 deg. 55 min. 00 sec. West 82.47 feet;
16. South 74 deg. 25 min. 16 sec. West 103.71 feet;
17. South 75 deg. 10 min. 17 sec. West 79.54 feet;
18. North 81 deg. 49 min. 10 sec. West 47.42 feet;
19. North 88 deg. 31 min. 51 sec. West 40.13 feet;
20. South 13 deg. 23 min. 55 sec. West 58.70 feet;

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21. South 55 deg. 39 min. 54 sec. East 88.49 feet;
22. South 51 deg. 46 min. 58 sec. East 80.70 feet;
23. South 31 deg. 38 min. 50 sec. West 80.62 feet;
24. South 46 deg. 45 min. 52 sec. West 135.08 feet;
25. South 49 deg. 36 min. 36 sec. West 152.90 feet;
26. South 60 deg. 23 min. 49 sec. West 157.14 feet;
27. North 85 deg. 24 min. 41 sec. West 106.64 feet;
28. North 75 deg. 25 min. 05 sec. West 29.73 feet;
29. North 31 deg. 09 min. 27 sec. West 132.34 feet;
30. North 08 deg. 15 min. 06 sec. West 90.14 feet;
31. North 03 deg. 03 min. 45 sec. West 102.09 feet;
32. North 08 deg. 15 min. 26 sec. East 237.33 feet;
33. North 17 deg. 04 min. 24 sec. East 75.01 feet;
34. North 20 deg. 49 min. 16 sec. East 73.82 feet;
35. North 18 deg. 44 min. 01 sec. East 78.16 feet;
36. North 22 deg. 14 min. 40 sec. East 82.89 feet;
37. North 17 deg. 18 min. 47 sec. East 88.02 feet;
38. North 32 deg. 28 min. 59 sec. East 81.16 feet;
39. North 39 deg. 09 min. 20 sec. East 77.16 feet;
40. North 40 deg. 00 min. 38 sec. East 67.01 feet;
41. North 42 deg. 45 min. 33 sec. East 48.15 feet;
42. North 49 deg. 09 min. 08 sec. East 146.13 feet;
43. North 48 deg. 48 min. 47 sec. East 183.23 feet;
44. North 52 deg. 21 min. 27 sec. East 218.52 feet;
45. North 25 deg. 39 min. 40 sec. East 59.30 feet;
46. North 28 deg. 20 min. 28 sec. East 71.02 feet;
47. North 32 deg. 13 min. 10 sec. East 149.52 feet;

510-55-2569

48. North 28 deg. 59 min. 59 sec. East 96.45 feet;  
 49. North 31 deg. 17 min. 33 sec. East 45.54 feet;  
 50. North 23 deg. 11 min. 07 sec. East 78.01 feet;  
 51. North 20 deg. 09 min. 56 sec. East 107.75 feet;  
 52. North 22 deg. 31 min. 56 sec. East 65.97 feet;  
 53. North 11 deg. 22 min. 12 sec. East 187.06 feet;  
 54. North 06 deg. 59 min. 50 sec. West 192.49 feet to a 5/8 inch rod set in the said south right-of-way line of H.C.H.S.C.N.D.R.R. for the northwest corner of the herein described tract of land;

THENCE North 75 deg. 05 min. 39 sec. East, along and with the said south right-of-way line of the H.C.H.S.C.N.D.R.R., a total distance of 1066.63 feet to a 5/8 inch iron rod set for the Point of a Curve of a curve to the right;

THENCE in an easterly direction, along and with the said south right-of-way line of the said H.C.H.S.C.N.D.R.R. following said curve to the right having a Central Angle of 43 deg. 49 min. 33 sec., a Radius of 1870.10 feet, an Arc Length of 1430.45 feet and a Long Chord which bears South 82 deg. 59 min. 34 sec. East 1395.83 feet to the PLACE OF BEGINNING and containing 109.8185 acres of land which also includes that part of Haden Road, a dedicated public road 80.00 feet wide, lying south of the said H.C.H.S.C.N.D.R.R., said Haden Road right-of-way contains 0.3730 acres.

FILED FOR RECORD  
8:00 AM

OCT 28 1996

*Beverly B. Feynman*  
County Clerk, Harris County, Texas

ANY PROMISSORY INSTRUMENT WHICH RESPECTS THE SALE, MORTGAGE, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR PAGE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW  
 THE STATE OF TEXAS  
 COUNTY OF HARRIS  
 I, County Clerk, do hereby certify that this instrument was FILED in File Number \_\_\_\_\_  
 Sequence on the date and at the time stamped herein by me, and was  
 duly RECORDED in the Official Public Records of Real Property of  
 Harris County, Texas on

OCT 28 1996



*Beverly B. Feynman*  
COUNTY CLERK  
HARRIS COUNTY TEXAS